

Survival

(Excerpt From 14 SURVIVAL TIPS FOR MANAGING DURING ECONOMIC DOWNTURNS):

Running or managing a small business often leaves little time to keep track of national, and even regional, economic indicators that might affect your industry and your specific operation. Yet conditions such as interest rates, inflation, gross national product, stock prices and consumer confidence have direct impact on your profitability and on relationships with vendors, customers and even employees.



During periods of economic decline, whether widespread or cyclical for a particular type of business, entrepreneurs are most likely to bear the brunt. Yet the fact that conditions are changing opens up opportunities for resourceful firms to outsmart larger competitors who, during a downturn, carry on business as usual or are unable to adapt quickly -- except to fire employees.

Such innovative small firms can:

* Gain market share by taking it away from competitors unable to adjust to shifting market conditions.

* Maintain a strong cash stream throughout the downturn, in contrast to other companies that may have liquidity problems.

* Become a leaner, more cost-effective and more efficient operation, better positioned to do well when the market improves.

Taking Care of Business

One of the most important elements in the survival of any business is the willingness of the owner to admit to problems and resolve them quickly. This may be easier said than done, especially if your business decision caused the problem.

Being willing to admit your business shortcomings can be very difficult. However, it is necessary in order to build long lasting relationships with your customers. Informing your customers of problems your business may have created not only states, "there is a problem," it also provides insight into your character.

When providing notification to customers on problems created in the course of doing business, be sure to:

1. State the problem.
2. Indicate the cause of the problem without placing blame. (This lets the customer know you have identified the source of the problem and it will not happen again.)
3. Provide the solution to the problem and implementation timeframe.

Yes, in the short run this approach may cost your business. However, when these same customers encounter problems with other businesses that are not straightforward, honest and solution-oriented, they will remember your business and return.



Webibles

Learn more about "Survival" using SBA online resources:

14 SURVIVAL TIPS FOR MANAGING DURING ECONOMIC DOWNTURNS

<http://www.sba.gov/gopher/Business-Development/Success-Series/Vol4/tips.txt>

Economic Policy and the Start-up, Survival, and Growth of Entrepreneurial Ventures

<http://www.sba.gov/ADVO/research/rs206tot.pdf>

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BREAKFAQS with SBA

This section provides answers to commonly asked questions related to survival.

Q: What kind of profits can I expect?

A: Not an easy question. However, there are standards of comparison called "industry ratios" which can help you estimate your profits. Return on Investment (ROI), for example, estimates the amount of profit gained on a given number of dollars invested in the business. These figures are published by several groups, and can be found at your library.

Q: What should I know about accounting and bookkeeping?

A: The importance of keeping adequate records cannot be stressed too much. Without records, you cannot see how well your business is doing and where it is going. At a minimum, records are needed to substantiate:

- Your tax returns under Federal and State laws, including income tax and Social Security laws;
- Your request for credit from vendors or a loan from a bank;
- Your claims about the business, should you wish to sell it.

But most important, you need them to run your business successfully and increase your profits.



Questions



Send questions on the upcoming topics to Attn: BREAK

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429 N. Pennsylvania Street, Suite 100
Indianapolis, Indiana 46204-1873

Fax: (317) 226-7259 **TTD:** (317) 226-5338

SBA Headline News



SMALL BUSINESS WEEK 2002 STATE WINNER

Peter Knoerzer
Paul & Kate Knoerzer / Harvey Reed
OK Champion Corporation
4714 Sheffield Avenue/PO Box 585
Hammond, Indiana 46325
Machinery

National Small Business Week May 5-12, 2002

"Small Business: Where America Works"
Renaissance Washington D.C. Hotel,
999 9th Street, N.W.,
Washington, DC 20001

<http://smallbusinesssuccess.sba.gov/>



REGULATORY FAIRNESS BOARD ASSISTS SMALL BUSINESS OWNERS

As co-owner of Libertyville Brewing Company, Bill Sugars was shocked to learn from the U.S. Department of Labor that his brewers were not exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act (FLSA). After all, trying to keep daily time records for brewers would not be very practical based on their brewery schedule. ...continued at
<http://www.sba.gov/in/indonews.html>.



SBA Honors Indiana Firm

An Indiana company has joined sixty-seven other small businesses from around the country in receiving the U.S. Small Business Administration's (SBA) prestigious Tibbetts Award for their exemplary achievement in the Small Business Innovation Research (SBIR) program. The award was recently presented to Bloomington Indiana's Communication Disorders Technology, Inc. (CDT) at a luncheon during the Sixth Annual Tibbetts Award in Arlington, VA. CDT was the only Indiana...continued at
<http://www.sba.gov/in/indonews.html>.



Indiana MEDWeek Awards Presented

**2001 Minority Small Business
of the Year...** Larry S. Webb, President,
Webb Construction, Inc., Gary, Indiana
... see Connections September 2001 for
more details ...
<http://www.sba.gov/in/indonews.html>

When, What, Where?

Visit the Indiana District Office
calendar at <http://www.sba.gov/in/>
for information on upcoming events,
seminars and workshops.

Upcoming Topics

Understanding Financial Statements
Business Plans
Loan Proposals

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BREAK with SBA Counseling & Training Resources

SCORE

A nonprofit association dedicated to encouraging the formation, growth, and success of small businesses nationwide through counseling and mentor programs.

Indiana locations:

Anderson	(317) 642-0264
Bloomington	(812) 339-8937
Columbus	(812) 379-4457
Elkhart	(574) 293-1531
Evansville	(812) 421-5879
Fort Wayne	(260) 422-2601
Gary	(219) 882-3918
Indianapolis	(317) 226-7264
Kokomo	(765) 457-5301
Logansport	(574) 753-6388
Marion	(317) 664-5107
New Albany	(812) 944-9678
South Bend	(574) 282-4350
Terre Haute	(812) 231-6763

Small Business Development Centers

The SBA, in conjunction with state government and local partners, administers the Small Business Development Center Program to provide management assistance to current and prospective small business owners.

Indiana locations:

Bloomington	(812) 339-8937
Columbus	(812) 372-6480
Evansville	(812) 425-7232
Fort Wayne	(260) 426-0040
Kokomo	(765) 457-7922
Lafayette	(765) 742-2394
Madison	(812) 265-3127
Muncie	(765) 284-8144
New Albany	(812) 945-0266
Portage	(219) 762-1696
Richmond	(765) 962-2887
South Bend	(574) 282-4350
Terre Haute	(812) 237-7676

Women's Business Center

Each women's business center provides assistance and/or training in finance, management, marketing, procurement and the Internet, as well as, addressing specialized topics such as home-based businesses, corporate executive downsizing and welfare-to-work.

Indiana location:

Fort Wayne	(260) 424-7977
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